

STAFFORD COUNTY SCHOOL BOARD

Agenda Consideration

TOPIC: FY 2007 Budget Update

ITEM NO.: 4J

PREPARED BY: Wayne Carruthers
Assistant Superintendent
of Financial Services

MEETING: July 11, 2006
ACTION DATE: N/A
INFORMATION ONLY: July 11, 2006

Patty Sullivan, Director of Budget and Grants

ACTION REQUESTED BY THE SUPERINTENDENT: No action required—for information only.

KEY POINTS:

1) School Operating Fund

❖ **Revenue:**

The Final Enacted State Budget for FY 2007 results in a decrease of \$490,421 in State revenue projected for Stafford County Public Schools (SCPS). The decrease is a result of several factors, please see page 3 for the line item details.

❖ **Expenditures:**

Reductions to the school division's Virginia Retirement System (VRS) rates result in a decrease in expenditures of \$886,205. VRS expenditures are calculated on each compensation category throughout the budget thus any change to these line items also includes increases/decreases in salary percentages and changes to the number of employees recognized in each category.

❖ **Net Revenue and Expenditures:**

The net result of the decrease in anticipated State revenue of \$490,421 and the decrease in expenditures of \$886,205 is \$395,784.

Since the State is projecting an ADM of 26,496 and the school division's operating budget is based on a lower ADM projection of 26,413, staff recommends postponing identifying a use for these funds until after the September 30, 2006 official student membership is calculated. At that time State funding can be recalculated based on closer projections for March 31, 2007 ADM.

❖ **Unidentified School Operating Expenditures:**

During the School Board's work sessions to identify reductions to the School Operating Fund two items were left as unidentified expenditures: 1) a reduction of \$900,000 and, 2) an increase of \$171, 418.

At this time these two items are reducing the classroom substitute teacher line item in the school operating budget by \$728,582 which is the net of \$900,000 minus \$171,418.

2) School Board's FY 2007 Adopted Budgets

❖ **Revenue and Expenditures Summary**

See pages 4-6.

❖ **School Board's Adopted Budgets' Copies**

Line items are still being adjusted in the budget justifications to show the changes made during the budget process. FY 2007 adopted budget summaries will be provided at the July 11th meeting.

SCHOOL BOARD GOAL 8: Provide School Board leadership in advocating for adequate funding in support of Stafford County Public Schools.

FUNDING SOURCE: State, Federal, Local, and Other Budgetary Revenue Sources

AUTHORIZATION REFERENCE: Code of Virginia § 22.1-92

STAFFORD COUNTY PUBLIC SCHOOLS

FY 2007 School Operating Fund State Revenue Update

	School Board Approved Budget	State FY 2007 Enacted	
<i>STATE FUNDS</i>	<u>2006-07</u>	<u>Budget</u>	<u>Inc/Dec</u>
<i>Source of Funds:</i>			
Sales Tax Receipts	\$26,948,825	\$26,948,825	\$0
State Funds	<u>102,799,418</u>	<u>102,308,997</u>	<u>(\$490,421)</u>
	\$129,748,243	\$129,257,822	(\$490,421)

<i>State Funding Details</i>	<u>Approved 2006-07</u>	<u>As of June 30, 2006</u>	<u>Inc/Dec</u>
324 0201 SALES TAX	\$26,948,825	\$26,948,825	\$0
SOQ PROGRAMS			
Basic School Aid	72,892,901	72,378,184	(\$514,717)
Teacher Salary Supplements	1,445,965	1,767,534	\$321,569
Gifted Education	705,769	703,582	(\$2,187)
Remedial Education	568,058	566,297	(\$1,761)
Remedial Summer School	657,413	657,413	\$0
Special Education	6,231,420	6,212,110	(\$19,310)
Textbooks	1,752,544	1,720,858	(\$31,686)
Vocational Educational	1,428,751	1,424,324	(\$4,427)
Social Security - Instruction	3,700,981	3,689,513	(\$11,468)
Teacher Retirement - Instruction	4,716,599	4,667,663	(\$48,936)
Group Life Insurance - Instruction	240,994	223,087	(\$17,907)
English As A Second Language (ESL)	662,874	665,410	\$2,536
INCENTIVE-BASED PROGRAMS			
At Risk	261,776	259,775	(\$2,001)
K-12 Primary Class Size	582,453	580,878	(\$1,575)
Early Reading Intervention	245,011	245,011	\$0
School Construction	447,670	447,670	\$0
Lottery Proceeds	4,007,905	4,157,652	\$149,747
SOL Algebra Readiness	85,534	85,534	\$0
VPSA Technology Grant	830,000	830,000	\$0
GED Funding (ISAEP)	31,434	31,434	\$0
CATEGORICAL PROGRAMS			
Foster Home Children - Special Ed	99,833	99,833	\$0
Foster Home Children Regular	49,171	49,171	\$0
Special Ed Jail Program	99,460	99,460	\$0
Vocational Education (Occp/Tech)	124,844	131,260	\$6,416
Homebound	119,132	119,132	\$0
Regional Alternative Education	184,937	187,206	\$2,269
MISCELLANEOUS			
Tuitions (PACE, Dual Enrollment, PASSPORT)	512,639	195,656	(\$316,983)
Mentor Teacher Program	38,350	38,350	\$0
Virginia Math Grant	75,000	75,000	\$0
TOTAL STATE FUNDS (Does not include sales tax)	\$102,799,418	\$102,308,997	(\$490,421)

STAFFORD COUNTY PUBLIC SCHOOLS

FY2007 School Board's Adopted Budgets

SCHOOL OPERATING FUND

	Actual	Revised	Approved	2006-07	Percent
REVENUE	2004-05	2005-06	2006-07	Inc/Dec	Inc/Dec
<i>Source of Funds:</i>					
Sales Tax Receipts	\$19,385,940	\$22,915,899	\$26,948,825	\$4,032,926	17.6%
State Funds	86,207,096	92,699,199	102,799,418	\$10,100,219	10.9%
Federal Funds	9,632,940	9,094,149	9,147,409	\$53,260	0.6%
County Funds	65,175,109	94,437,942	93,791,777	(\$646,165)	-0.7%
County (Additional Local Transfer or Loan)	0	0	800,000	\$800,000	100.0%
Reappropriated Purchase Orders	6,309,901	7,359,543	0	(\$7,359,543)	-100.0%
Lease/Financing Proceeds	3,460,855	3,546,316	3,492,276	(\$54,040)	-1.5%
Other Funds	1,199,745	3,184,443	3,964,625	\$780,182	24.5%
Other Funds (New Fees)	0	0	253,225	\$253,225	100.0%
SCHOOL OPERATING REVENUES	\$191,371,586	\$233,237,491	\$241,197,555	\$7,960,064	3.4%

EXPENDITURES					
6100 Instruction	\$151,552,563	\$182,214,865	\$185,021,038	\$2,806,173	1.5%
6200 Administration & Attendance & Health	10,587,303	12,964,443	14,361,193	\$1,396,750	10.8%
6300 Pupil Transportation	11,056,564	13,812,032	15,320,018	\$1,507,986	10.9%
6400 Operation & Maintenance	15,611,895	21,032,249	22,373,821	\$1,341,572	6.4%
6500 School Food Services	170,680	245,913	218,005	(\$27,908)	-11.3%
6600 Facilities	130,095	303,138	450,000	\$146,862	48.4%
6700 Debt Service	253,479	253,480	253,480	\$0	0.0%
6800 Contingencies	2,009,007	2,411,371	3,200,000	\$788,629	32.7%
School Operating Expenditures Totals	\$191,371,586	\$233,237,491	\$241,197,555	\$7,960,064	3.4%
Debt Service on Bonds & Lease Financing	\$24,533,816	\$25,952,195	\$26,208,223	\$256,028	1.0%
School Operating Expend. & Debt Service Totals	\$215,905,402	\$259,189,686	\$267,405,778	\$8,216,092	3.2%

OTHER FUNDS

<i>Health Services Fund</i>	\$17,515,493	\$20,625,322	\$22,880,656	\$2,255,334	10.9%
<i>School Construction Fund</i>	\$80,908,000	\$61,097,008	\$56,988,824	(\$4,108,184)	-6.7%
<i>Nutrition Services Fund</i>	\$7,761,336	\$8,378,626	\$9,537,110	\$1,158,484	13.8%
<i>Fleet Services Fund</i>	\$2,495,102	\$3,086,724	\$3,778,870	\$692,146	22.4%
<i>Workers' Compensation Fund</i>	\$0	\$846,536	\$1,072,803	\$226,267	26.7%

Summary of Revenue Adjustments
School Board FY 2007 Proposed to Adopted Budgets

	County Funding		State Sales Tax	State Funding	Federal Funding	Lease/ Financing Proceeds	Other Funds
<u>Revenue</u>	<u>School Operating</u>	<u>Debt Service</u>					
Proposed Budget Totals	\$106,122,574	\$28,095,194	\$26,948,825	\$102,960,017	\$9,120,032	\$3,492,276	\$4,435,905
Adjustments:			\$0			\$0	
Local Transfer Adjustments:							
Co. Administrator's Proposal	(\$14,217,768)						
VPSA Credit	\$1,438,200	(\$1,438,200)					
Debt Service Adj. by County	\$448,771	(\$448,771)					
BOS Additional Transfer	\$800,000						
State Basic Aid Adjustment				(\$160,599)			
Federal (NCLB Application)					\$27,377		
PASSPORT Tuition							(\$471,280)
Dual Enrollment Fees							\$128,225
Parking Fees							\$125,000
Adopted Budget Totals	<u>\$94,591,777</u>	<u>\$26,208,223</u>	\$26,948,825	\$102,799,418	\$9,147,409	\$3,492,276	\$4,217,850
Total County Funding	<u>\$120,800,000</u>						
Total Revenue - All Sources	<u>\$267,405,778</u>						

Summary of Expenditure Adjustments

School Board FY 2007 Proposed to Adopted Budgets

Expenditures

Proposed Budget Total	\$281,174,823
Less Debt Service	<u>(\$28,095,194)</u>
Proposed School Operating Total	\$253,079,629

Adjustments:

State VRS Reduction	(\$2,247,877)	
School-Site Supplies' Reduction	(\$11,952)	
90 Teachers Positions	(\$5,389,830)	
10 Teacher Positions (Growth)	(\$598,870)	
10 Paraprofessionals (Growth)	(\$239,043)	
15 Paraprofessionals (Sp. Ed.)	(\$292,260)	
FY 2006 Carryover	(\$900,000)	Difference = \$728,582
Education Enhancements	\$171,418	(Reduced Substitute Teachers)
Teachers on Admin. Assignment	(\$110,599)	
ES Clerical Upgrades to 12 Mos.	(\$46,821)	
Safety & Security - Tech. Upgrades	(\$16,300)	
Lead Teacher Stipends	(\$258,000)	
Advanced Placement Tests	(\$10,000)	
Elementary FLEX Program	(\$22,230)	
Business Partnership Breakfast	(\$8,000)	
Library Startup Costs (ABE & DSM)	(\$160,000)	
Reduce Conference Lines	(\$94,323)	
Discontinue the PASSPORT Program	(\$471,280)	
Postpone Hiring 3 CTT Assistants	(\$76,136)	
Utilites Savings	(\$300,000)	
BOS Additional Transfer	(\$800,000)	
SB Add Back Materials & Supplies	\$1,000,000	
Summer School (cost neutral)	(\$223,053)	
Drivers' Education (cost neutral)	(\$116,606)	
Restore Teacher Scale Step 26	(\$497,087)	
Dual Enrollments	(\$133,225)	
Graduation Conference Center	<u>(\$30,000)</u>	
Adopted School Operating Total	<u>\$241,197,555</u>	